

Message Text

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PARIS VIENTIANE CINCPAC FROM GENEVA DTD 15 FEB 1978 QTE

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FROM M. FALCO

E.O. 11652: XGDS-1

TAGS: SNAR UN LA

SUBJECT: LAO-UNFDAC INCOME SUBSTITUTION PROJECT

REF.: STATE 34719

1. SUMMARY: DRAWING UPON REFTTEL, I RAISED WITH UN
NARCOTIC OFFICIALS USG CONCERNS OVER RECENT DEVELOPMENTS
IN THE UNFDAC CROP SUBSTITUTION PROJECT IN LAOS. ANDRE
SAENGER, DND DEPUTY DIRECTOR FOR OPERATIONS, MADE CLEAR
HIS VIEW THAT SELECTION OF THE LOWLAND OUDOMSAI MAI SITE
DOES NOT PRESENT A MAJOR OBSTACLE TO THE LAOS PROGRAM. MR.
WELLMAN, UNFDAC ACTING EXECUTIVE DIRECTOR, RECOGNIZED THAT
SERIOUS QUESTIONS ARE INVOLVED WHICH FUND MUST CONSIDER.
I BELIEVE THIS MATTER SHOULD BE PURSUED WITH EXECUTIVE
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DIRECTOR DESIGNATE REXED (SWEDISH) DURING THIS CND MEETING,
AND WOULD APPRECIATE FURTHER DEPARTMENT GUIDANCE AS
APPROPRIATE. END SUMMARY.

2. SAENGER, WHO HAS RECENTLY RETURNED FROM SURVEYING THE
OUDOMSAI MAI SITE, DEMONSTRATED A THOROUGH UNDERSTANDING
OF THE CROP SUBSTITUTION PROJECT WHICH THE DND IS TO

EXECUTE FOR UNFAC IN LAOS, LARGELY WITH SWEDISH FUNDS EARMARKED SPECIFICALLY FOR THAT PURPOSE. WHILE RECOGNIZING THAT THE OUDOMSAI SITE IS NOT THE MOUNTAINOUS POPPY CULTIVATING REGION EMBODIED IN THE NOVEMBER 1977 AGREEMENT, HE IS WILLING TO ACCEPT IT, AT LEAST DURING THE INITIAL 18 MONTH PHASE NOW BEING CONSIDERED FOR FUNDING. HE BELIEVES THE LPDR WILL EVENTUALLY LET UNFAC INTO THE UPLAND POPPY ZONES, AND THAT THE LOWLAND OUDOMSAI MAI LOCATION IS A NECESSARY FIRST STEP. IN THE MEANTIME, HE POINTED OUT, THE MEO MOVED TO THE LOWLANDS WILL NOT BE GROWING POPPY BECAUSE THE LOW ALTITUDE MAKES IT IMPRACTICAL.

3. ACTING EXECUTIVE DIRECTOR WELLMAN CONCEDED THAT THE OUDOMSAI MAI SITE WAS NOT STRICTLY IN KEEPING WITH TERMS OF THE UNFAC-LPDR AGREEMENT. HE DEMONSTRATED CONCERN WHEN I MENTIONED WIDESPREAD CONTINUING REPORTS ALLEGING LPDR INVOLVEMENT WITH ILLICIT OPIUM AND HEROIN TRAFFICKING, AND THE UNFORTUNATE IMPLICATIONS FOR UNFAC IF THE CHARGES ARE TRUE. (I WAS NONCOMMITAL WHEN WELLMAN PRESSED TO KNOW IF THE USG COULD SUBSTANTIATE SUCH ALLEGATIONS.) WELLMAN MADE CLEAR HIS AGREEMENT WITH SAENGER THAT IT WOULD BE DESIRABLE TO MAINTAIN THE UNFAC PRESENCE IN VIENTIANE, A CONSIDERATION WHICH TENDED TO OUTWEIGH IN HIS MIND HOLDING THE LAO TO STRICT ADHERENCE TO THE NOVEMBER AGREEMENT. HE NOTED, HOWEVER, THAT THE FINAL UNFAC DECISION ON WHETHER CONFIDENTIAL

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OR NOT TO ACCEPT THE PROPOSED LOWLAND OUDOMSAI MAI SITE WOULD BE DEFERRED UNTIL AFTER MARCH 1 WHEN REXED TAKES OFFICE.

4. WHILE SYMPATHIZING WITH THEIR CONCERNS, I POINTED OUT THE BASIC INCONSISTENCY INVOLVED IN ESTABLISHING A PILOT INCOME SUBSTITUTION PROJECT FOR PRIMARY HIGHLAND POPPY PRODUCING AREAS IN A LOWLAND AREA WHERE POPPY CULTIVATION HAS NEVER EXISTED. MOREOVER, UNFAC PILOT INCOME SUBSTITUTION PROJECTS HAVE ALWAYS BEEN IN TRADITIONAL OPIUM GROWING AREAS. I MADE CLEAR THE USG CONCERN ABOUT FORCIBLE RESETTLEMENT OF HILL PEOPLES IN LOWLAND AREAS WHICH MAY ENDANGER THEIR CULTURE, HEALTH, AND LIFESTYLES. NOTING THAT THE US CONGRESS SHARES MANY OF THESE CONCERNS, I EXPRESSED UNEASE ABOUT POSSIBLE CONGRESSIONAL REACTIONS, SUCH AS REDUCED OR EARMARKED FUTURE U.S. CONTRIBUTIONS TO UNFAC.

5. ALONG WITH DR. PETER BOURNE, I WILL PURSUE THE LAO ISSUE WITH DR. REXED DURING THIS CND MEETING. WE MUST WEIGH CAREFULLY THE DESIRABILITY OF MAINTAINING THE UNFAC PRESENCE IN LAOS. IF EXPULSION OF UNFAC IS THE PRICE FOR

INSISTING THAT THE LPDR SELECT A MOUNTAINOUS POPPY GROWING SITE, WE MUST CONSIDER CAREFULLY IF WE SHOULD PAY IT. THE FUND HAS ALREADY INVESTED OVER \$200,000 TO MAINTAIN A LIMITED PRESENCE IN VIENTIANE IN ORDER TO MAINTAIN A DIA-LOGUE WITH THE LPDR. ON THE OTHER HAND, I REMAIN UNCONVINCED THAT THE LPDR WOULD CLOSE UNFDAC OUT IF THE LATTER INSISTED ON AN OPIUM GROWING HIGHLAND PROJECT SITE. THIS WAS CONFIRMED TO ME WHEN SAENGER RELATED THE POSITIVE LAO RESPONSE TO PREVIOUS UNFDAC PRESSURE LAST DECEMBER TO SELECT A SITE WITHOUT DELAY. WE WILL ASK REXED TO PURSUE WITH THE LPDR SELECTION OF A HIGHLAND SITE AS WELL AS TO EXPRESS TO THE LPDR IN THE STRONGEST TERMS OUR CONCERN ABOUT ALLEGATIONS OF LPDR INVOLVEMENT IN ILLICIT DRUG TRAFFIC.
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6. ANY FURTHER GUIDANCE THE DEPARTMENT MIGHT PROVIDE WOULD BE APPRECIATED. VANDEN HEUVEL. UNQTE VANCE

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